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ABSTRACT

Creative actions toward preventing global unemployment seek to (1) uncover the painful realities of joblessness, (2) design better models for fruitful discourse and action, (3) climb the "commanding policy heights" of moral vision, (4) move from autocratic to democratic corporatism, (5) uncover the kind of information that may hold power holders more accountable, and (6) promote global dialogue on the hidden crisis of unemployment. Possible actions along these lines include confronting the "ostriches" who shun full employment commitments, hide un- and under-employment, and dodge the sources of bank crisis. Multidimensional models that build upon the best in different systems, practices, idealogies, and faiths and the development of a moral vision that weaves the highest human values together with the strands of specific micro- and macro-politics can provide a constructive approach to the unemployement challenge. Included in this morality is a commitment to designing future policies to bolster economic and political rights for everyone and to bringing about "power democratization"--the organization of the weak to counter overcentralization and breathe more life into the structure and procedures of constitutional democracy. Democratic corporatism, stronger transnational labor movements, and political leaders for economic rights are needed. Moreover, overall democratic planning for fuller employment requires a research program based on continuous improvement in concepts, definitions, collectives, analysis, and distribution of quantitative and qualitative data. Finally, countries dealing with the unemployment crisis should consider "people-to-people planning forums" legislation and a United Nations full employment-technology conference. (LH)

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Global Unemployment: Challenge to Futurists

by

Bertram Gross and Kusum Singh

The specter of more and more jobless people haunts the modern world.

It is sired by uncontrolled transnational capital and mothered by revolutionary technologies that displace manual and mental labor. It is nurtured by business-cycle downturns brought on by the old contradiction of capitalist efforts to raise profit rates by raising prices and curbing real wages, thereby dampening the effective demand on which profitability is based. It is made worse by the export of jobs to, and the import of workers from, low-wage countries. It is hidden by doles for the jobless, statistical tricks, and other measures to render impotent, while enlarging, the so-called "reserve army of the unemployed."

In most countries of statist "socialism," the specter stalks silently in the corridors of bloated bureaucrats where people work unproductively. In China and Yugoslavia, the specter materializes through "market socialist" efforts to slim down bureaucracies.

Pre-industrial and industrializing countries face a tangle of contradictions. Population increases faster than the capacity to produce. Increased productive capacity usually grows faster than

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the domestic capacity to consume. Production tends to be oriented toward the uncertainties of unequal exchange in world export markets. The number of unemployed and underemployed in Asia, West Asia, Africa, and Latin America already approaches half a billion people.[1]

With these tendencies throughout the world, global joblessness by the year 2000—with all the accompanying poverty, disease, and social breakdown—could easily victimize a billion people.

If Karl Marx were alive today, he would have to improve his analysis of the relative surplus population (or "reserve army of the unemployed") as an aid in capital accumulation.

In doing this, he would surely document the global growth of this huge, unarmed, and leaderless "army." He might even pay tribute to many capitalist "achievements" somewhat different from those celebrated in *The Communist Manifesto*. For example: (1) skillful avoidance of the army's size and significance, (2) the existence, side by side, of neoclassical, "Marxist," and tech- fix faiths, (3) policies that successfully expand the labor surplus, immobilize the jobless, and make rising unemployment more politically tolerable, (4) institutional and political supports for such policies, (5) "value-free" research that, in presenting part truths as whole truths, tends to protect existing power structures, and (6) crisis responses that succeed beautifully in distracting attention from the horrors of global unemployment and job insecurity. Fortunately, many people ponder different modes of creative action, seeking instead to

(1) uncover the painful realities of joblessness,
(2) design better models for fruitful discourse and action
(3) climb the "commanding policy heights" of moral vision,
(4) move from autocratic to democratic corporatism,
(5) uncover the kind of information that may help make power holders more accountable, or
(6) promote global dialogue on the hidden crisis of unemployment.

Let us now discuss some possible actions along these lines. We hope that our formulation may challenge others to do much better in trying to serve the needs of *all* people.

I. Confronting the Ostriches

"We have learned that we must live as men, and not as ostriches."—Franklin D. Roosevelt, fourth term inaugural address, January 20, 1945

The Chinese pictogram for "crisis," one often hears, has two characters: one for "danger," the other for "opportunity." But the

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ostrich is sometimes a better symbol for people who have not yet learned, in FDR's words, to "live as men" (or women).

We know of many people who, when confronted with genuine danger, promptly bury their heads in the ground. If power holders do not themselves know how to do this, many high-powered experts compete with each other in creating new opportunities for hiding from unpleasant realities.

Shunning Full Employment Commitments

"Every American able and willing to work has the right to a useful and remunerative job in the industries, or shops, or offices, or farms, or mines of the Nation."—from first draft of "The Full Employment Act of 1945," December 18, 1944[2]

"The full employment pledge in the United States Charter marks a historic phase in the evolution of the modern conception of the functions and responsibility of the democratic state . . . It reflects the fundamental importance of the promotion of full employment . . . first, as a condition of economic and social progress . . . and secondly, as a necessary prerequisite for the maintenance and smooth working of an international economic system."

—U.N. Group of Experts, *National and International —Measures for Full Employment*, (E/1584), —December 1949.[3]

While World War II ended the Great Depression of 1929-1939, many people in Western Europe and America came to fear that victory in war would bring back the depression. In 1943, President Roosevelt's planning board proposed a New Bill of Rights that included the right to a job at fair wages. In January 1944, Roosevelt embodied most of these ideas in an Economic Bill of Rights message to Congress.[4] A little later, Sir William Beveridge proposed full employment as a postwar goal for the British government. For a while, full employment and the "right to a job at fair wages" became, in Herbert Stein's words, "a flag around which every one could rally."[5] By year's end, this flag was unfurled in a "Full Employment Bill" that tried to translate rhetorical pledges into statutory obligations. This measure was strongly opposed by those parts of the business community who saw, accurately, that truly full employment would strengthen labor and weaken corporate power. The bill was finally passed as the Employment Act of 1946. In essence, this law committed the federal government not to full employment but to preventing mass depression.[6]

In 1945, despite objections from U.S. conservatives, the U.N. Charter committed its members to promote full employment (Article 55). In 1948, the U.N.'s Universal Declaration of Human Rights strengthened this commitment: "Everyone has the right

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to work, to free choice of employment, to just and favorable conditions of work, and to protection against unemployment" (Article 23). The 1949 U.N. Group of Experts proposed policies to make these rights a reality.

For a while, the flag kept waving. But throughout the following decades, the idea of a right, or entitlement, was abandoned in most capitalist countries. In place of a commitment to full employment, more emphasis was placed on alleviation of the worst forms of unemployment. Policies in this direction tended to place simplistic overemphasis on job training without job creation, on limited job creation through localistic action to move employment from one region to another, and on ultra-expensive job creation through rising military budgets and subsidies to the rich. Meanwhile, the concept of "full employment" has widely been redefined (as discussed in the next section). "Frictional unemployment" has been widely replaced by "natural unemployment."

In turn, policies to "help" developing countries may provide greater help to transnational corporations. "Foreign aid" often taxes the poor in rich countries to enrich the rich in poor countries. The impressive rhetoric of "development," "growth," and "basic needs" is often used in a manner that distracts attention from the basic need for growth and development of useful employment. The reality of interdependence among nations is ignored, as discussions of "developing countries" proceed on the bland assumption that high goals can be obtained without structural changes within both "developed" and "developing" societies.

Regarding transnational formations, the Liberal International pays lip service to full-employment ideals under high-technology capitalism and closes its eyes to the rest of the world. The Socialist International has not yet directly grappled with the subject. The Third World's "Committee of 77" and the nonaligned movement avoid the subject. In his 1983 report to the nonaligned movement, Fidel Castro piously proclaims that "880 million jobs in the underdeveloped countries" are needed by the year 2000. But he confines himself to the old-style Third Worldism of trade and aid. He studiously avoided any discussion of economic rights or planning for full employment.[7]

As a combined result of these national and transnational orientations, full-employment commitments have been ignominiously deserted by the U.N. secretariat. Most U.N. agencies, even those originally set up to promote full employment, now hush-hush both the "full-employment" goal and the unemployment realities. Some actively support transnational corporate actions that sharpen the hushed-up crisis. Nor have many signatories of the U.N.'s more recent Covenant on Economic and Social Rights been very

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ardent in support of the full employment commitments formally restated in the covenant.

Hiding Un- and Underemployment

"The notion of measuring the labor supply, or the unused portion of labor supply as a residual, was abandoned [in the 1940 U.S. Census] . . . There was no demand for a measure of total supply as such, probably because labor supply seemed abundant for all possible demands."

—Gertrude Bancroft, *The American Labor Force*, —Wiley, 1968, pp. 185-188.

"The current definition of unemployment captures only the tip of the iceberg of potential workers; it is itself part of a grand cover-up of the shortage of jobs."

—Frank Furstenberg and Charles Thrall, "Counting —the Jobless," *The Annals*, March 1975.

Although statistics do not lie, liars can use statistics—and in the new information age, they use statisticians also. The most effective misinformation is provided by honest statisticians who apply concepts that serve the interests of the dominant forces in society. Indeed, the propensity of many social scientists—not only statisticians—is to prefer being professionally "sound," which often means being precisely wrong rather than vaguely right. Hence, major attention is paid to the tails of elephants and tips of icebergs.

During the Great Depression, battles raged around the world on how to measure the unemployment iceberg. In Europe and England, unions reported on their unemployed members and unemployment insurance offices on the people getting benefits. In the United States, with few unions and no social insurance, the field was wide open. One highly respected economist from the Brookings Institution estimated unemployment in a historic analysis of America's productive capacity.[8] For 1929, the peak year of pre-Depression prosperity, he estimated *unemployment at 19%*. Percent of what? Of the "gainfully occupied"—a concept very close to the total supply of available labor. In 1937, the federal government's National Resources Committee estimated that on the basis of "full time equivalents" unemployment during 1932-1934 averaged 45% of the total available labor supply.

But the political demand during the Great Depression period of extreme job shortage was *not* for a measure based on the "total available labor supply." Rather, it was for data that "would understate the degree of unemployment and thereby vindicate the effectiveness of government programs of job creation."[9] A group of brilliant technicians (including Gertrude Bancroft, quoted above) met this demand by inventing the "labor force." This artifact included as unemployed only the jobless of 16 years of age and over who were reported as actively seeking paid employment. This excluded millions of jobless "not in the labor force" —people who, although able and willing to work for pay, were not reported as actively seeking it. (If a similar method were used to estimate

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the number of unmarried people, no singles—not even Catholic priests—would be "unmarried" unless reported as actively seeking a spouse.) It also excluded many other groups: people working a few hours a month (who were classified as "employed"), people in institutions (often a haven for the jobless), those under 16, etc.

Ironically, the "labor force" concept was first used in the 1940 census, just as World War II was unfolding and the United States soon had to mobilize its unmeasured labor reserves. Eight million people "not in the labor-force" were quickly drawn into it. But with victory, the specter of massive joblessness returned. Postwar policies sent women back into the home, older people into retirement, young people to tertiary education—and many ethnic minorities into ghettoes. The labor-force concept came into its own—with many commissions and agencies involved in technical improvements. The U.N. statistical offices labored mightily to apply the concept in as many countries as possible. They succeeded beyond all expectation—except in socialist countries. Their greatest success was in developing countries whose best economists knew it was nonsense (since it could not cope with massive underemployment) but whose leaders relished statistics that would understate the horror of their vast surplus populations.

In the heat of World War II, President Franklin D. Roosevelt and the authors of the original Full Employment Bill of 1944 used a human-rights definition of full employment: *a situation in which there are job opportunities for everyone able and willing to work for pay*. This was close to Sir William Beveridge's original definition: a situation in which more employers seek workers than people seek employment. So for a while, *the essence of full-employment planning was to set goals for the number of people to be employed*: for example, FDR's famous 60 million postwar civilian jobs. Later, as more conventional minds prevailed, the idea of employment goals was buried. A new approach became dominant: measuring full employment by the amount of "frictional," and then "natural," unemployment. In the United States, these measures tended to rise over the decades:

1940s	2-3%
1950s	3-4%
1960s	3-5%
1970s	4-6%
1980	6-7%
1984	7-8%
1990 (est.)	9-10%
2000 (est.)	10-12%

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As these conceptual changes became dominant, economists like Leon Keyserling, who spent decades calculating the loss of national output and government revenue resulting from officially measured unemployment, were labelled "unprofessional," exiled from the hallowed groves of academic economics, and ignored by the media. A brilliant heretic like John Kenneth Galbraith atoned for sins on other matters by piously accepting the infallibility of conventional concepts and abstaining from involvement in full-employment debates.

Generally, rising rates of unemployment were publicly justified by the entry of more women, younger people, and ethnic minorities into the labor force and the presumed need for more unemployment and recessions to control inflation by depressing labor costs. Less publicly stated was the demand for enhancing short-range rates of profit by weakening organized labor. Behind all these justifications, however, lay a more sober definition of full employment, as often lamented by Rep. Augustus Hawkins, chairman of the House Labor and Education Committee: *the highest level of unemployment that is politically tolerable.*

Dodging the Sources of Bank Crisis

The dominant elites in America and Europe look daily at a shaky banking system in which potential default by governments in Latin America and Eastern Europe could exceed the entire capital and assets of the world's largest banks. But they systematically ignore the vital links between the sickness of banks and the deeper diseases (spread by some bankers) of poverty, economic injustice, and self-centered greed.

Through a glass darkly, they may see the relevance of untamed business cycles, long-term tendencies toward stagnation, poverty-stricken markets, and oppressive social structures. But they close their eyes to the fact that higher interest rates make default more probable. They disregard the influence of austerity policies (forced on developing countries directly or through the International Monetary Fund) in converting potentially good loans into bad ones. While acknowledging that the enormous Reagan deficits boost nominal and real interest rates, they dodge other factors: an arms race financed by politicians who would rather borrow than ask for taxpayer support; the use of "tight money" to promote recession and "discipline" labor; private debt expansion; profligate speculation in mergers and takeovers; fears of more inflation in the future; and the bankers' own propensity (like many other corporate preachers of "free market" ideology) to work together in *setting* prices of their product—namely, credit.

Like their fellow deep thinkers in many transnational corporate

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board rooms, bankers concentrate on maximizing margins, profit rates, and short-term return on equity capital. They disregard the probability that widespread success in doing this undermines the effective purchasing power on which profitability is based. Sowing the wind, they pray that others—not they—will reap the whirlwind. This is an institutional *ostrich syndrome*. The justification for burying their heads in the sand is the expectation that whatever they do, national governments and their central banks will hear their prayers and bail them out. The expectation is well founded. Subservient public officials rush in to become lenders and subsidizers of first, not last, resort. Their bestowal of big welfare on an ultraprivileged minority is rooted in the efficiency of modern government in reducing the entitlements of, and raising taxes on, the lower-and middle-income majority.

II. The Need for Better Models

Throughout the world, the Left seems bereft, the Middle muddled, and the Right wrong.

Indeed, the old one-dimensional Left-to-Right spectrum—arising from the seating arrangements in the French national assembly almost two centuries ago—is itself obsolete. No single dimension could possibly describe the complex socio-political interests and posture of a person, group, party, nation, or transnational bloc. We need multi-dimensional models that build upon the best in different systems, practices, ideologies, and faiths.

Insolvency of the Old

The ideology of capitalism is an impressive historical asset. Although (like any ideology) it hides as well as guides, the ideology of entrepreneurial freedom and resistance to statism has much to commend it. Capitalist practice also has value—particularly its capacity for technological innovation, its combination of central planning with decentralized operations, and its well-planned use of state protection and intervention.

Socialist ideology is also a valuable asset. Its emphasis on human values, communal sharing, and the control of private greed is one of humankind's great heritages. Although these ideals have never yet been carried out, most countries of statist "socialism" have abolished the capitalist business cycle and provided better welfare-state minima than in most countries of "welfare-state" capitalism. In capitalist countries, socialist parties have pioneered in producing the welfare-state programs that, in softening the business cycle, have helped preserve capitalism.

Nonetheless, both capitalist and socialist countries are in acute crisis. Neither can meet their obligations. Although in different

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ways, each is incapable of guiding action to expand the supply of useful and productive jobs at adequate—let alone good—wages. The one bolsters markets with government, business, and consumer debt; the other with imports of food and technology from capitalist countries. The one nurtures a growing surplus population with little opportunity for earned income outside of the "underground economy" and the provision of illegal service. The other conceals unemployment within unproductive bureaucracies with many employees who make a living without really "earning" it. Both tilt toward "tech fix" solutions to problems that are basically political, social, and ethical. Neither has pioneered in using labor-saving technology to reduce substantially the hours of work per day, month, and year and to expand thereby the opportunities for creative and self-determined leisure. Both provide large amounts of employment in the armed forces and in enterprises provisioning them or producing weapons systems that threaten national and global security.

In Western Europe and Britain, socialist parties out of power are not yet offering full employment programs. In France, Spain and Greece, socialist or social-democratic parties *in* power seem to have learned little from the example of Scandinavian socialists. Rather, they have been vying with the British conservatives in demonstrating their incapacity. In the United States, the liberal wing of the Democratic Party and its organized-labor supporters (both essentially social democratic in nature) supported a presidential candidate who, despite depression conditions in many urban and rural areas and the imminence of another deep recession, totally abandoned his party's historic commitment to full employment.

By these standards of accountability, we suggest that in both practice and ideology in most countries, *capitalism and socialism are insolvent*.

We use "insolvency" in the sense given it by equity courts—namely, inability to meet debts as they mature. This is different from the bankruptcy concept of insolvency: assets worth less than liabilities. A currently insolvent system of thought and practice may include valuable assets that can yield larger benefits by reorganization within a better framework.

Essentials of the New

Unlike the Greek goddess of wisdom, improved models will never spring full-blown from the brow of Zeus-like thinkers. They will emerge rather from the real-life struggles of political leaders, citizen activists, and research workers to free themselves from the dead hand of obsolete modes of perceiving the world and

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trying to change it for the better. They will be borne of efforts—in the words of the World Future Society—to "think globally, act *locally*," and "plan for the long-range as a guide to acting *now*."

Thus the more creative futurists break away from dominating models that weigh like a nightmare on the minds of present generations. Those of us who have escaped the trap of technocracy seek models that, while using the best in the old, go much further in empowering human beings to meet needs for dignity, personal growth and democratic freedoms.

Such a search leads one into the difficult question of what *new policies, power structures, research, or follow-up steps* may best respond to the global unemployment challenge.

III. Policy: The Commanding Heights of Moral Vision

For the Russian Bolsheviks in 1917, arsenals, police and railroad stations, and wireless offices were the "commanding heights" to be seized and kept. Later the term was used to refer to basic industry.

But it was the vision of "Peace, Bread, and Land" that commanded the hearts and souls of those who supported the Bolshevik "experiment." Indeed, the greatest strength of all socialist movements—evolutionary or revolutionary—has come from ethical values, not from the barrel of a gun or the charisma of a leader. One can say the same about the early capitalist revolutions that broke the bonds of agricultural feudalism and about present-day regimes and parties of constitutional capitalism. In this age of galloping secularism, paradoxically, some of the world's most decisive struggles focus on the commanding heights of the human psyche or, in Freud's language, soul.

These commanding heights cannot be reached merely through the desperately needed improvements in policies bearing on profits, government intervention, market controls, demand, supply, investment, consumption, wages, prices, trade, science, population, education, leisure, culture, etc. For this purpose, even "macroeconomic" policy is too "micro."

The transformation needed in the coming years cannot—to use a phrase from Marx that Marxists seem to have forgotten—"draw its poetry from the past, but only from the future." But the poetry of the future can rarely be found in the prose of economic and statistical analysis. The coming struggles for the "commanding heights" of public policy, we humbly suggest, will center around alternative ideals of peace, democracy, human rights, security, patriotism, and, above all, human freedom.

Some seek this "moral high ground" by playing the rhetorical game of competitive flatulence. Or else, in Orwellian terms, Big

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and Little Brothers use "peace" to justify war and "freedom," "democracy," "human rights," "security," and "patriotism" as covers for self-serving greed, mechanical formalism, the rights of corporate "persons," the insecurities of the arms race, and militaristic chauvinism.

A more constructive approach, we suggest, is to develop a moral vision that weaves the highest human values together with the strands of specific macro-and micro policies. A fascinating example is provided by the American Catholic bishops' recent attack on "the morally unjustified" levels of current unemployment and poverty. Their draft pastoral letter on the American economy calls for "A New American Experiment."[10]

In it, the American bishops offer a "moral vision" that, while explicitly based on "Catholic social teaching," is also "catholic" in the sense of "universal." As a Jew and a Hindu, we find in their message the spirit of both the Hebrew prophets and the Holy Geeta. Like Lord Krishna, the bishops come done from the highest pinnacles of ideology to the lower plane of material philosophy and the point of view of worldly people. At both levels, these pillars of conservative religion have been attacked by free-market worshippers as radical "redistributionists," if not crypto-socialist enemies of the system they are trying to save. The give-and-take between the bishops and their opponents is already sparking a hot debate in the United States on some of the "meta-policies" we shall now touch on briefly.

Resurrection of Economic Rights

> "Every adult American able and willing to earn a living through paid work has the right to a free choice among opportunities for useful, productive and fulfilling paid employment (part-or full-time) at decent wages, or self-employment.
>
> "—Sec. 2(a), the Hayes "Income and Jobs Action Act,"
> —H.R. 1398, 99th Congress

On March 5, 1985, Representative Charles Hayes (Democrat, Chicago), with the support of Representatives Augustus Hawkins, John Conyers, and many others, picked up the fallen flag of economic rights by introducing the "Income and Jobs Action Act." This measure re-states in vastly improved form the old "right to a job." It also sets forth a parallel right: "Every adult American unable to work for pay has the right to an adequate standard of living that rises with increases in the wealth and productivity of the society."

The growing support for this measure has probably been influenced by the leaders of almost all religious groups in America. Indeed, one may regard the entire bill as an effort to state in legislative terms the central theme in the draft pastoral letter of

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the Catholic bishops: "The nation must take up the task of framing a new national consensus that *all persons have rights in the economic sphere and that society has a moral obligation to take the necessary steps to ensure that no one among us is hungry, homeless, unemployed, or otherwise denied what is necessary to live with dignity.*" The bishops then went on to say that "there are forms of individual and group selfishness present in the nation that undermine social solidarity and efforts to protect the economic rights of all." The sins of indifference and greed have also "become embedded in certain of the economic institutions and cultural presuppositions of our society." To combat the "morally unjustified" levels of unemployment in the United States, they urged a "new national commitment" to reduce official unemployment to 3% or 4% and to "undertake a thorough reform of welfare and income support programs."

But the Hayes proposal is thus far strictly national in scope. Although the policies mandated in its overall planning section dealt with the problem of American corporations moving to other countries, they did not relate to the unemployment problems in such countries. The bishops, on the other hand, dealt at length with "The U.S. and the World Economy," while deploring poverty, hunger, and disease in "Third World" countries. Yet they followed the prevailing example in global discourse: they never mentioned unemployment in pre-industrial and industrializing countries. In neither case did the moral vision of the right to employment opportunities or any other economic rights include the world's largest pool of unemployed.

We find it hard to accept the idea that economic rights are the privileged heritage of industrialized countries only. Perhaps those with the courage to resurrect the idea of economic rights in the United States will proceed to call for U.S. ratification of the U.N. Convenant on Economic, Social, and Cultural Rights. Perhaps people in the many countries where ratification has already taken place will suggest that mere lip service to high ideals is not enough.

We wonder how much action is being taken or contemplated in Western European countries with mounting joblessness to strengthen demands for improved policies by rooting them in economic rights. And what about the industrializing countries of Asia and Latin America where "development" is used as the slogan to justify policies that uproot agricultural populations and lead to huge populations of displaced people with no future? The rights of government bureaucrats, native elites, and transnational corporations are both protected and expanded—in many countries, to the point of denying elemental civil and political

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rights. Can we not design—and win support for—future policies that would bolster economic and political rights for everyone, without sacrificing one in the name of the other?

Overall Planning for Freedoms

> "The word 'liberty' . . . may mean for some men to do what they please with other men."
>
> —Abraham Lincoln, 1864

Overall planning to protect the interests of a privileged minority is one of the basic facts or trends throughout the world. In countries of statist "socialism," it frees party bureaucrats from the threat of democratic accountability and competing power centers. In other countries—often hidden behind ideologies of so-called "free markets"—overall planning tends to guarantee greedy minorities the freedom to pollute the earth and air, break unions, move their operations to countries where free unionism is forbidden, swallow up small enterprises, buy elections, manipulate the media, and gratify personal additions to government-subsidized power and wealth.

This is one of the reasons why—in the words of the U.S. bishops—"the mere mention of the notion of economic planning is likely to produce a violent allergic reaction in the U.S." This allergy is not limited to any one country. It has also seriously afflicted economists throughout the world. On the other hand, many economists have themselves contributed to this negativism by discussing planning exclusively in terms of central decision-making by experts.

Fortunately, new attention is now being paid to the possibility of democratic planning in the interests of all the people. This is the heart of the Hayes-Conyers proposal—the way in which conditions might be created for the enjoyment of basic economic rights. It is also the heart of the proposed pastoral letter, which develops in some detail a recommendation by Pope John Paul II that "society make provision for overall planning." Both proposals emphasize the need for some kind of coordination among the many subgroups of society.

How can overall planning be initiated in neighborhoods, workplaces, cities, and regions? How can such locally-based planning be brought together in national plans and policies? How can localism and sectionalism be counterbalanced? How can the global context be kept in mind? This is one of the great challenges of the future.

Recent responses to this challenge are reviewed in "A Case for Democratic Planning" by Michael Harrington. "Planning is coming. Indeed, it is already here," he asserts, "and those who deny

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that fact, whether out of innocence or guile, are the true crackpots of the age. The real issue before us is not whether there will be planning, but who will plan, how, and for what purposes." [11] Many important ideas, he points out, are contained in the proposals by William Winpisinger and Richard Greenwood of the International Association of Machinists and Aerospace Workers.[12] He also refers extensively to a few of the ideas in legislative drafts prepared at the request of Rep. John Conyers: "The concept of a national needs inventory is already contained in draft legislation written by Bertram Gross and others for Representative John Conyers. It would involve planning agencies at every level of government in making an 'assessment of unmet needs'. . . . One of the most important features of the Gross-Conyers proposal is that mechanisms would be established to allow local and state governments to involve themselves effectively in the undertaking. . . . (It) suggests creating a Temporary Commission on Democratic Rights and Planning, which would use data from the inventory to formulate a proposed program of guaranteed opportunities for useful and productive employment."

In our "Democratic Planning: The Bottom-Sideways Approach" and in "Planning and Freedom," we suggest many other aspects of democratic—as contrasted with technocratic or oligarchic—planning.[13]

Jobs and Buying Power of the Poor

Compassion for the poor has always been part of humankind's moral vision. It has sparked the proliferation of both private charity and public-assistance programs. Yet both of these may have the effect—often unwittingly—of sidetracking efforts to strike at the roots of poverty and of making poverty (even exploitation) more politically tolerable. Each is consistent with widespread perceptions of the poor as lazy, stupid, and the victims of their own inherent incapacities. By themselves, both tend to preserve the low-cost labor that subsidizes the living standards of others.

One stands on higher moral ground, however, by not blaming the victims of circumstance and social structure. The greatest gene pool for the geniuses, artists, enterprisers, and productive workers of the future, it has been said, exists among the hundreds of millions of people who today see little or no escape from wretchedness.

But a few other things might be said with equal vigor:

1. The good jobs through which the poor could raise their incomes would also expand their purchasing power enormously.
2. The larger markets thereby created—particularly in Asia,

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west Asia, Africa, and Latin America—would go a long way toward absorbing the goods and services that would be produced at fuller levels of employment in all countries.

3. The wasted labor power of the un- and underemployed can be seen as a vital source—along with others—of the new capital needed in industrializing countries.

In this paper, we shall bravely avoid the temptation to even list the enormous policy problems facing any who try to utilize the world's enormous pool of wasted labor.

Instead, we shall merely identify the "meta-policy" problem that most economists subconsciously recognize but, as well-behaved members of a "nonpolitical" profession, rarely mention: namely, *the intimate relation between purchasing power and political power*. If the poor have more money, they will have a larger voice in politics. While politics is not a zero-sum game, their gain would mean a loss for those who now have the most money and power. To paraphrase a remark by Jesse Jackson, people who now enjoy only three-fifths citizenship might rise to four- or even five-fifths. While those now enjoying seven- or eight-fifths citizenship would not necessarily be dispossessed, they might be reduced to the ignominious level of equality with "five-fifths people."

This is one of the reasons for inevitable resistance to any mix of policy proposals that would raise the income, self-respect and dignity of the poor.

IV. Power Democratization

> "America needs a new experiment in cooperation and collaboration to renew a sense of solidarity, enhance participation, and broaden the sharing of responsibility in economic society."
>
> —Ad hoc Committee on American Catholic Teaching and the U.S. Economy.

Throughout the industrialized, industrializing, and pre-industrial regions of the world—whether labelled capitalist, socialist, or "mixed"—power tends to be increasingly centralized. More and more people feel impotent in the face of huge forces beyond their control. This is particularly true of the un- and underemployed, the poor and all the so-called "wretched of the earth." Many more people feel their lives controlled by the impersonal power of giant bureaucracies, world-spanning corporations, mass media, and computerized monitoring. Intellectuals who want to do something about it by "speaking truth to power" can easily lose their precious illusions. "We are very rich," mused Walter Lippmann a little before his death. "But our life is empty of the kind of purpose and effort that gives to life its flavor and meaning."

Organization is the best way for the weak—whether in the

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workplace, school, neighborhood, or region—to get power and participate in purposeful effort. Yet, as Robert Michels pointed out in his "iron law of oligarchy," there is an inevitable tendency for any organization—particularly a large one—to be run by a few.

Despite this risk, the organization of the otherwise weak is the only way to counter overcentralization and breathe more life into the valuable structures and procedures of constitutional democracy. No constructive policy can get anywhere without some kind of organizational infrastructure. Any such policies, in turn, imply—at least implicitly—some democratization of power.

Democratic Corporatism

The term "corporatism" has been given a bad reputation by the corporate-state theorists of "classic fascism." The power of old-time fascism under Mussolini, Hitler, and the Japanese imperialists was rooted in *exclusive partnerships* between the most powerful elements of big business and central government. Under these regimes, most people were rendered impotent through *mobilization* in support of imperial expansion. In many pre-industrial and industrializing countries, corporatism takes the form of "dependent fascism": exclusive partnerships between military dictators and transnational corporations. A special kind of elitist and technocratic corporatism is found in countries of state "socialism."

Incipient exclusive corporatism is to be found in many countries of constitutional and democratic capitalism. This tendency is brilliantly set forth in many writings by Manfred Schmidt of the Free University of Berlin. Schmidt refers to the "corporatism without labor" in Japan and the "quasi corporatism" of Switzerland.

On a more hopeful note, Schmidt discusses "corporatist and welfare statism" in Austria, Norway, and Sweden, countries that —like Japan—enjoy what he describes generously as "real full employment." Part of his sophisticated and highly original explanation is that in Austria, Norway, and Sweden, "trade unions are highly organized, politically united, and ideologically moderate. Moreover, they participate in tripartite-corporatist arrangements...Cooperation between trade unions, employers, and the state is based on the principles of compromise and equal exchange. In these countries, full employment is part of political orthodoxy."

We are almost prepared to call this democratic corporatism. Our hesitation is this: *the magic number three is too exclusive.* Inclusive corporatism must also make provision for (a) *many* sec-

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tors of business, (b) *many* private, non-business, and non-government sectors such as labor, religious groups, cooperatives, neighborhood associations, and foundations, and (c) local and state government.

Stronger Transnational Labor Movements

A clear implication of Schmidt's analysis is that a strong labor movement is the first institutional and political requirement for any policy of fuller employment and any structure of democratic corporatism. We accept this idea. But we add two others.

First, any serious attack on unemployment requires much more transnationalism in labor movements. In the modern world, big capital has become transnational. It is supported by impressive complexes of government agencies, consulting firms, media specialists, think-and-talk groups, and U.N. agencies. But no matter how strong it may seem at home, *a national labor movement cannot bargain very effectively with transnational capital.* It needs the help of other national labor movements which, in turn, get its help. How can the first feeble moves toward labor transnationalism—already discernible in Western Europe but almost nonexistent in industrializing countries—be strengthened?

Second, no labor movement can be strong enough to cooperate with labor in other countries if it remains weak—or allows itself to become weaker—at home. The now traditional combination of bread-and-butter unionism with national policy involvement is no longer enough. Among the great new frontiers for organized labor are: (1) reaching out to all types of workers (manual and mental, "underground" and "guests"); (2) maintaining as members those who have been laid off and can no longer pay regular dues; (3) providing many services to all members, including training, re-training, and education in public policy, planning, management, and budgeting; (4) *organizing the un- and underemployed;* (5) adopting "solidarity wage policies" that reduce the differentials between the highest- and lowest-paid members (even between full professors and instructors); and (6) avoiding the stagnation of "headquarters unionism" by encouraging activism and participation in decision-making by all their members—even at the risk of much more turnover among union officers.

Labor movements moving in this direction can best develop coalitions for empowerment of the weak (including small enterprises), infrastructures for "botton-sideways" planning, partnerships—as equals—with government monopolies and private corporations, and improved policies by political parties.

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Political Leaders for Economic Rights

Economic policy making, we often hear, should be above politics and pressure groups. This is a favorite political ploy of powerful pressure groups that seek some form of oligarchic corporatism divorced from the electoral and legislative processes of constitutional democracy.

A similar ploy is subconsciously incorporated in economic planning theories that assume the existence of an all-powerful central planning board and then raise the question of what decisions this board should make. Where and how the board gets its power—and even the effect of alternative policies on the structure of power—is conveniently overlooked.

"Stay out of party politics" is a major premise of almost all technocratic planners, not merely economists. It is reinforced by the relentless march of specialization. Many liberal and even radical planners see themselves as health planners, housing planners, land-use planners, economic-development planners, etc. If they associate themselves with popular action (directly or indirectly), they usually do so in the context of single-issue movements.

The single-issue movement, however, is the activist counterpart of technical specialization. Just as researchers must specialize to get results, activists must specialize to arouse people out of apathy and toward self-empowerment. By so doing, they develop specialized political understanding on, say, a nuclear freeze, plant closings, utility costs, etc.

But despite all its advantages, single-issue activism has the same disadvantage as technical specialization. Unless counterbalanced in some way, it creates social fragmentation. The remedy is not to destroy either technical or activist specialization. It is to bring both kinds of specialties together into a broad coalition. The broadest coalition is a political party (in some countries, a coalition of parties) with the capacity to take control of the top positions of government. This kind of control is essential for planning in the service of public interests.

All single-issue drops (or cups) in the progressive bucket are important—*but only if there is a bucket to hold them together.* Otherwise, vast local and national efforts may evaporate into thin air. The political party or movement is the best bucket. Whether in power or in opposition, it can hold together the precious drops or cups of otherwise isolated actions and theories. As Paul David has pointed out, "party platforms have become important as alternative and partially overlapping national plans on which a substantial degree of execution can reasonably be expected."[14] Party building, therefore, becomes an inescapable part

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of national planning for fuller employment.

And the building of transnational party groupings for fuller employment requires, in turn, national party leaders capable of seizing the commanding heights of a moral vision that includes economic rights for all and overall public-interest planning.

V. Research: Information and Accountability

Information has always been a strategic source of power. It can be used to hold power holders accountable or—when part truths are presented as whole truths—to protect them from accountability.

A part of democratic planning, therefore, should be an effort to develop a "social calculus," or what is now often referred to as "social indicators," but might better be referred to as "social system" (or societal) accounting.[15] For this reason, overall democratic planning for fuller employment requires a research program based on continuous improvements in concepts, definitions, collection, analysis, and distribution of quantitative and qualitative data, including the data used in local and national budgets. Here, however, we shall touch on only a few items.

More Truth on the Jobless

> "The relative surplus population exists in every possible form . . . now an acute form during the crisis, then again a chronic form during dull times—it has always three forms, the floating, the latent and the stagnant.
>
> "—Karl Marx, *Capital*, Vol. I, Chapter 25

While the distinctions made by Marx in 1867 were ahead of his time, the data now available is far behind what is needed in our time.

To get a broader view of unemployment and its implications, a new burst of socioeconomic research is needed. But not the mere collecting of more data to stuff into old boxes. By itself, that promotes a hardening of the categories. What is needed is a more effective use of presently collected data and, above all, a broader array of concepts and definitions. This requires, of course, more effective demand for the output of data producers willing and able to swim against the stream.

As a bare minimum, constructive research in this area would require fuller use of official data collected but not well publicized. Thus, for the third quarter of 1984 in the United States, the official figures showed 8.5 million people unemployed, or 7.4% of the labor force (including the resident and armed forces). But the official figures also showed that, of the people "not in the labor force," 5.5 million "want a job now." This raises the official total from 8.5 to 14 million. Also, for each unemployed jobseeker in a

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monthly average, there are two and a half such people during an entire year. This means that an 8.5 million average for a month implies an estimated 21.3 million people (or 18.5% of the labor force) unemployed at some time during the year.

The data become more startling when attention is paid to specific groups of people. In depressed localities and industries, the general indicators are much higher than the above. And in general, without reference to specific areas and sectors, the official rates show the following: 10.4% for all people of Hispanic origin, 16.1% for all blacks, 19.3% for all teenagers, and over 36% for black teenagers. For all these groups, moreover, and also for all older men, the official data show declining labor-force participation: in other words, large numbers of labor-force "drop-outs," "kept-outs," or "pushed-outs."

In addition to these official data, let us present some estimates based on concepts that might serve as a starting point for new research in many other countries:

Table 1

Victims of Joblessness United States

Official data:	**U.S., 1984 (In millions)**
Jobless jobseekers (the official unemployed)	8.5
Part-time employees seeking full-time work	5.1
Jobless job wanters	5.5
General jobless	19.1
Hypothetical estimates (as guide for new-style sample surveys):	
Dependents of the jobless (at least 1-to-1)	19.1
The insecure employed, those fearing termination (1-to-1 for jobless and dependents)	38.2
Total victims: (= 32% of U.S. population)	76.4

The above indicators could be serious understatements. They do not include the local government, landlords and storekeepers adversely affected by declining tax bases, rent payments, and consumer purchases. Moreover, the first three indicators are official estimates. Not relying on the official reports, the Center for Urban Studies of Youngstown University, Ohio, did its own door-to-door survey using the official definitions. While the government reported unemployment of 15.2% in this depressed area, the university's figure was 29.3%.[16]

Other research that has been occasionally attempted (but still only skims the surface) relates to the impact of joblessness and

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job insecurity on workers' morale, productivity, physical and mental health, alcoholism, drug addiction, violence in the family, suicide, low-income crime, racism, anti-Semitism, sexism, and other forms of institutionalized or spontaneous discrimination.

Still less attention has thus far been given to the other side of this huge coin: *those people and groups who see concrete benefits in both large pools of joblessness and business-cycle downturns.* "There's no insurance against inflation, strong labor movements, and higher wages like a pool of genuine unemployment—and no better way to raise productivity in competition with low-cost labor. There is no better way to squeeze the water out of the economy and pick up depression bargains than a downturn in the business cycle." Strong statements of this type with respect to the benefits of unemployment are to be found throughout business journals and in the more candid statements of many "free market" theorists. Are these benefits real? Are they short-run only? What is their relation to the structure of power?

From a more positive point of view, creative research is needed to articulate:

1. Full-employment goals in terms of desirable reductions in the hours of paid working time per day, week, and year, and expansions in opportunities for self-determined leisure as well as part-time and irregular employment.
2. Full-employment goals for various groups of people, by sex, age, and race in different geographical areas, occupations, and sectors of output.
3. The role of high employment levels in expanding purchasing power and market demand (particularly in pre-industrial societies), reducing the birth rate, promoting technological innovation, and combining stabler returns on invested capital with reduced rates of unit profits.

Clashing Corporatisms

In a recent report on social indicator research in the United States, Murray Aborn of the National Science Foundation pays "tribute to the 25 or so principal investigators who attempted implementation of the incredibly complex and extraordinarily ambitious research prospectus set forth [in *The State of the Nation: Social Systems Accounting*] by Bertram Gross in the mid-1960s."[17]

Unfortunately, before getting federal research funds, the investigators donned a powerful Cap of Darkness. They could thus make believe that without looking at power structures they could account for changes in social systems. They could also avoid looking at any monsters in the flesh or in the making.

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In our times, we suggest, there are many more monsters—and more terrible ones—than Marx ever dreamed of in 1867.

In *Friendly Fascism*, one of us—with considerable help from the other—tried to produce a personal report on the changing state of American society. In it, he contrasted two trends:

1. A powerful drift toward greater concentration of power and wealth in a repressive Big Business-Big Government partnership.
2. A slower and less powerful tendency for individuals and groups to seek greater participation in decisions affecting themselves, their nation, and their world.

Today, with the benefit of more research and dialogue, we feel that this earlier distinction is not clear enough. Both trends, we suggest, deal with patterns of social organization. But the first is toward exclusive—and fundamentally authoritarian, if not repressive—corporatism. The other is toward inclusive—and democratic—corporatism.

More sophisticated attention to these clashing alternatives—and the variety within each—would undoubtedly produce more useful frameworks for deciding what concepts and styles of data collection are needed for the information in the service of accountability.

VI. Poetry of the Future: Global Dialogue

Who can hear the whimper of a hungry child?

Can such a small sound be heard in the halls where secure, well-fed leaders and experts convene to talk at and with each other?

Perhaps. But not with a mere continuation of endless meetings dealing with "basic needs" that exclude the need for productive employment and with "development" that excludes the development of human dignity through useful and fulfilling work.

People-to-People Communication

The importance of East-West and North-South summitry should not distract attention from the need for less top-top communication and more lateral communication by people at the middle and lower levels of social pyramids.

Thus, in any country considering progress toward dealing with the global unemployment crisis, consideration should be given to "People-to-People Planning Forums" legislation. A measure of this type, with appropriate wording to suit the country involved, might include such ideas as this:

1. The government hereby finds that: (a) managers, professionals, and scientists associated with transnational corporations and

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national governments benefit from continuing communication through travel, meetings, electronic information exchange, membership in associations, and formal and informal networks; (b) the great majority of the people in most countries, particularly those at the lower and middle levels of income and wealth, have little or no opportunity to benefit from such forms of continuing communication; and (c) that the opportunities for such continuing communication on a people-to-people basis would facilitate democratic planning to reduce involuntary unemployment, attain sustainable recovery from recession or depression, and move toward full employment.

2. Upon the enactment of this law, the appropriate agency of government shall promote the convening in this country or elsewhere of global or regional conferences on coping with unemployment, attaining sustainable recovery from recession or depression, and moving toward full employment.

3. Toward this end, the appropriate agency of government shall provide financial and technical assistance to organized labor and profit-seeking, non-profit, cooperative, and voluntary organizations, with priority for widespread communication on how best to (a) control facility closing and capital flight by large business and otherwise, and (b) facilitate transnational labor organization and collective bargaining.

In other words, to modify the terms of international discourse, the action needed to cope with unemployment should be debated in neighborhood forums, union halls, political meetings, classrooms, regional conferences and workshops, and international sessions in many parts of the world. To facilitate such communication, published proceedings, books, and articles in many languages would be immensely helpful.

During the next four years, however, no action along these lines may be expected from the U.S. government. It remains, therefore, for nongovernmental groups or *other governments* to act on—and improve—ideas of this type.

A U.N. Full Employment-Technology Conference

Another possible measure might contain such provisions as these:

1. The government hereby finds that: (a) despite many valuable international conferences on trade, aid, currencies, labor-management relations, and working conditions, there have been no international conferences concentrating on the growing challenge of large-scale and persistent unemployment in many parts of the world; and (b) a series of global and regional conferences on coping

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with unemployment and moving toward full employment could (i) help expand the markets for both domestic and foreign goods and services, and (ii) provide a more logical framework for international conferences on trade, aid, monetary matters, labor-management relations, and working conditions.

2. Upon the enactment of this law, the government shall propose to the United States the prompt beginning of a series of international and regional conferences on alternative methods of planning for the reduction of involuntary unemployment.

This action, also, cannot be expected to originate in Washington, D.C. But if other governments propose a U.N. conference on fuller employment, it is likely that the United States would go along.

If not dominated by the orthodox "Right" and "Left," technical groups or task forces under the auspices of college, labor, business, and political parties—or even the I.L.O.— could be enormously helpful in preparing the way.

It might even be feasible to plan for one or two modest regional U.N. meetings on unemployment and full employment during the next few years. This could lay the groundwork for a multi-regional U.N. conference before the end of the 1980s.

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Notes

1. We reject the vulgar use of "Third World," despite its widespread usage, to identify these areas. In addition to being *first* in terms of population, these were the *first* areas where human beings came into existence and the homes of humankind's *first* civilizations. First, Second, and Third "worlds" are not like grades in primary school. They express, rather, half-conscious, patronizing assumptions of all-around Euro-U.S. superiority.

2. Drafted by Bertram Gross for Senate Military Affairs Subcommittee composed of Senator (then Vice President-elect) Harry Truman and Senator James Murray, Year End Report, War Contracts Subcommittee, December 18, 1944.

3. Its members: John Maurice Clark, Nicholas Kaldor, Arthur Smithies, Pierre Uri, and E. Ronald Walker.

4. State of the Union message, January 7, 1944.

5. Herbert Stein, *The Fiscal Revolution in America*, 1969.

6. This interpretation is explained in " 'Full' Employment Growthmanship and the Growth of the Labor Supply," *The Annals*, March 1975.

7. Fidel Castro, *The World Economic and Social Crisis*, Report to the Seventh Summit Conference of Non-Aligned Countries, Havana, 1983.

8. Edwin G. Nourse, *America's Capacity to Produce*.

9. Stanley Moses, "Labor Supply Concepts: The Political Economy of Conceptual Change," *The Annals*, March 1975.

10. Ad Hoc Committee on Catholic Social Teaching and the Economy, *Pastoral Letter on Catholic Social Teaching and the U.S. Economy*.

11. Michael Harrington, "A Case for Democratic Planning," in Irving Howe, ed., *Alternatives*, Pantheon, 1984.

12. *Let's Rebuild America*, Machinists Building, 1300 Connecticut Avenue, N.W., Washington, D.C.

13. Bertram Gross and Kusum Singh, "Democratic Planning: The Bottom-Sideways Approach," in Gartner et al, eds., *Beyond Reagan*, Harper and Row paperback, 1984, and "Planning and Freedom" in Barry Checkoway, ed., *Strategic Approaches to Planning Practice* (in press).

14. Paul David, "Party Platforms as National Plans," *Public Administration Review*, May/June 1971. This article draws heavily not only on Professor David's own research but also on the work of Gerald Pomper in *Elections in America*, Dodd Mead, 1968.

15. Bertram Gross, *The State of the Nation: Social Systems Accounting*, Tavistock, 1966; also in Raymond Bauer, ed. *Social Indicators*, MIT Press, 1966.

16. *Daily Labor Report*, Bureau of National Affairs, Washington, D.C., Nov. 5, 1984.

17. Murray Aborn, "The Short and Happy Life of Social Indicators at the National Science Foundation," *Items*, publication of the Social Science Research Council, Vol. 38, November 2/3, 1984.

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